

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	14,208,327	.0	14,208,327	14,373,089
2. Stocks:				
2.1 Preferred stocks	4,005	.0	4,005	0
2.2 Common stocks	7,667,534	3,652	7,663,882	7,316,367
3. Mortgage loans on real estate:				
3.1 First liens	0	.0	0	0
3.2 Other than first liens	0	.0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	0	.0	0	0
4.2 Properties held for the production of income (less \$ encumbrances)	0	.0	0	0
4.3 Properties held for sale (less \$ encumbrances)	0	.0	0	0
5. Cash (\$ 1,257,519), cash equivalents (\$ 0) and short-term investments (\$ 877,344)	2,134,863	.0	2,134,863	1,704,068
6. Contract loans (including \$ premium notes)	0	.0	0	0
7. Derivatives	0	.0	0	0
8. Other invested assets	0	.0	0	0
9. Receivables for securities	0	.0	0	0
10. Securities lending reinvested collateral assets	0	.0	0	0
11. Aggregate write-ins for invested assets	0	.0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	24,014,729	3,652	24,011,078	23,393,524
13. Title plants less \$ charged off (for Title insurers only)	0	.0	0	0
14. Investment income due and accrued	131,267	.0	131,267	128,135
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	306,547	12,267	294,280	294,669
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	0	.0	0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)	0	.0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,371	.0	1,371	1,328
16.2 Funds held by or deposited with reinsured companies	0	.0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	.0	0	0
17. Amounts receivable relating to uninsured plans	0	.0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	149,010	.0	149,010	88,599
18.2 Net deferred tax asset	0	.0	0	0
19. Guaranty funds receivable or on deposit	0	.0	0	0
20. Electronic data processing equipment and software	0	.0	0	0
21. Furniture and equipment, including health care delivery assets (\$)	0	.0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	.0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	.0	0	0
24. Health care (\$) and other amounts receivable	0	.0	0	0
25. Aggregate write-ins for other-than-invested assets	14,799	14,799	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	24,617,725	30,719	24,587,006	23,906,254
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	.0	0	0
28. Total (Lines 26 and 27)	24,617,725	30,719	24,587,006	23,906,254
DETAILS OF WRITE-INS				
1101.				0
1102.				0
1103.				0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Asset	14,799	14,799	0	0
2502.				0
2503.				0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	14,799	14,799	0	0

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 1,429,734)	3,469,161	3,197,254
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	672,997	672,997
4. Commissions payable, contingent commissions and other similar charges	247,703	344,346
5. Other expenses (excluding taxes, licenses and fees)	288,276	466,997
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	69,629	118,160
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	150,025	67,842
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	4,764,433	4,605,462
10. Advance premium	104,483	81,736
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(37,663)	35,413
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	112,968	209,612
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (including \$ certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	9,842,011	9,799,820
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	9,842,011	9,799,820
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	0	0
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	0	0
35. Unassigned funds (surplus)	14,744,995	14,106,434
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)	0	0
36.2 shares preferred (value included in Line 31 \$)	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	14,744,995	14,106,434
38. Totals (Page 2, Line 28, Col. 3)	24,587,006	23,906,254
DETAILS OF WRITE-INS		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 12,167,979)	10,227,064	5,038,770	12,515,381
1.2 Assumed (written \$ 5,115,815)	4,956,844	4,830,130	9,695,346
1.3 Ceded (written \$ 12,167,979)	10,227,064	5,038,770	12,515,381
1.4 Net (written \$ 5,115,815)	4,956,844	4,830,130	9,695,346
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	8,435,763	3,241,934	9,123,543
2.2 Assumed	2,596,742	2,544,652	5,033,451
2.3 Ceded	8,435,763	3,241,934	9,123,543
2.4 Net	2,596,742	2,544,652	5,033,451
3. Loss adjustment expenses incurred	473,942	454,662	1,020,135
4. Other underwriting expenses incurred	1,616,144	1,541,555	3,162,385
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	4,686,829	4,540,870	9,215,971
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	270,015	289,261	479,375
INVESTMENT INCOME			
9. Net investment income earned	263,648	251,007	529,669
10. Net realized capital gains (losses) less capital gains tax of \$ 16,684	32,386	304,125	22,143
11. Net investment gain (loss) (Lines 9 + 10)	296,034	555,132	551,812
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 3,972)	(3,972)	(4,683)	(11,027)
13. Finance and service charges not included in premiums	71,920	73,885	147,317
14. Aggregate write-ins for miscellaneous income	187	103	180
15. Total other income (Lines 12 through 14)	68,135	69,305	136,470
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	634,184	913,697	1,167,657
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	634,184	913,697	1,167,657
19. Federal and foreign income taxes incurred	142,905	83,285	283,947
20. Net income (Line 18 minus Line 19)(to Line 22)	491,280	830,412	883,709
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	14,106,434	13,540,932	13,540,932
22. Net income (from Line 20)	491,280	830,412	883,709
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 79,605	154,527	(321,319)	(327,980)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(2,578)	(67,908)	21,127
27. Change in nonadmitted assets	(4,668)	(5,110)	(11,354)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	638,561	436,075	565,502
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	14,744,995	13,977,008	14,106,434
DETAILS OF WRITE-INS			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	187	103	180
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	187	103	180
3701.	0	0	0
3702.	0	0	0
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	5,065,486	4,862,632	9,797,251
2. Net investment income.....	305,819	274,967	599,288
3. Miscellaneous income.....	68,135	69,305	136,470
4. Total (Lines 1 to 3).....	5,439,440	5,206,904	10,533,010
5. Benefit and loss related payments.....	2,324,879	2,279,682	4,783,289
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,413,984	2,311,393	4,080,113
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	220,000	200,000	395,000
10. Total (Lines 5 through 9).....	4,958,862	4,791,075	9,258,402
11. Net cash from operations (Line 4 minus Line 10).....	480,578	415,830	1,274,608
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	969,549	442,095	1,791,095
12.2 Stocks.....	162,056	1,819,834	1,988,582
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	0	11,220	461,517
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,131,605	2,273,149	4,241,194
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	834,521	590,629	2,360,625
13.2 Stocks.....	246,111	1,813,936	2,345,410
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	42	10,994	461,517
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,080,674	2,415,559	5,167,552
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	50,931	(142,410)	(926,358)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	0
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	(100,713)	(83,123)	(92,846)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(100,713)	(83,123)	(92,846)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	430,795	190,296	255,404
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,704,068	1,448,664	1,448,664
19.2 End of period (Line 18 plus Line 19.1).....	2,134,863	1,638,960	1,704,068

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Sonnenberg Mutual Insurance Company (SMIC) are presented on the basis of accounting principles prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

The financial statements of the Company are presented solely on the basis of accounting principles prescribed by the Ohio Department of Insurance. As such, there are no increases or decreases to net income nor surplus on a statutory accounting basis as shown by the reconciliation below:

	State of Domicile	2016	2015
<u>NET INCOME</u>			
(1) SMIC state basis (Page 4, Line 20, Columns 1 & 3)	Ohio	\$ 491,280	\$ 883,709
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(4) NAIC SAP (1-2-3=4)		<u>\$ 491,280</u>	<u>\$ 883,709</u>
<u>SURPLUS</u>			
(5) SMIC state basis (Page 3, Line 37, Columns 1 & 2)	Ohio	\$ 14,744,995	\$ 14,106,434
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		—	—
(8) NAIC SAP (5-6-7=8)		<u>\$ 14,744,995</u>	<u>\$ 14,106,434</u>

B. Use of Estimates in the Preparation of the Financial Statements

No significant changes.

C. Accounting Policy

No significant changes.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

D. Going Concern

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

NOTES TO FINANCIAL STATEMENTS

- C. Reverse Mortgages
Not applicable.
- D. Loan-Backed Securities
Not applicable.
- E. Repurchase Agreements and/or Securities Lending Transactions
Not applicable.
- F. Real Estate
Not applicable.
- G. Low-Income Housing Tax Credits (LIHTC)
Not applicable.
- H. Restricted Assets
Not applicable.
- I. Working Capital Finance Investments
Not applicable
- J. Offsetting and Netting of Assets and Liabilities
Not applicable
- K. Structured Notes
Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies
No significant changes.

7. Investment Income
No significant changes.

8. Derivative Instruments
No significant changes.

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at June 30, 2016 and December 31, 2015 are as follows:

1.

	06/30/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 586,562	\$ 180,887	\$ 767,450
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	586,562	180,887	767,450
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	586,562	180,887	767,450
(f) Deferred Tax Liabilities	(69,764)	(847,710)	(917,475)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 516,798</u>	<u>\$ (666,823)</u>	<u>\$ (150,025)</u>

STATEMENT AS OF June 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

	12/31/2015		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 575,194	\$ 190,753	\$ 765,947
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	575,194	190,753	765,947
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	575,194	190,753	765,947
(f) Deferred Tax Liabilities	(65,683)	(768,106)	(833,789)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 509,511</u>	<u>\$ (577,353)</u>	<u>\$ (67,842)</u>

	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 11,369	\$ (9,865)	\$ 1,503
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	11,369	(9,865)	1,503
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Deferred Tax Asset (1c – 1d)	11,369	(9,865)	1,503
(f) Deferred Tax Liabilities	(4,081)	(79,605)	(83,686)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	<u>\$ 7,288</u>	<u>\$ (89,470)</u>	<u>\$ (82,183)</u>

2. Admission Calculation Components SSAP No. 101

	06/30/2016		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 389,856	\$ —	\$ 389,856
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	87,066	—	87,066
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	87,066	—	87,066
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,211,749
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	109,641	180,887	290,528
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 586,562</u>	<u>\$ 180,887</u>	<u>\$ 767,450</u>

STATEMENT AS OF June 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

	12/31/2015		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 374,963	\$ —	\$ 374,963
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	87,066	—	87,066
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	87,066	—	87,066
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	2,115,965
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	113,165	190,753	303,918
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 575,194</u>	<u>\$ 190,753</u>	<u>\$ 765,947</u>

	Change		
	(7)	(8)	(9)
	(Col 1—4) Ordinary	(Col 2—5) Capital	(Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 14,891	\$ —	\$ 14,891
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	95,784
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	(3,524)	(9,864)	(13,388)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. (2(a) + 2(b) + 2(c))	<u>\$ 11,369</u>	<u>\$ (9,864)</u>	<u>\$ 1,503</u>

3.

	2016	2015
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	15%	15%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	\$ 14,744,995	\$ 14,106,434

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax—Planning Strategies

		06/30/2016	
		(1)	(2)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 586,562	\$ 180,887
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 586,562	\$ 180,887
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		12/31/2015	
		(3)	(4)
		Ordinary	Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 575,194	\$ 190,753
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 575,194	\$ 190,753
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
		Change	
		(5)	(6)
		(Col 1-3) Ordinary	(Col 2-4) Capital
(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 11,369	\$ (9,865)
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(c)	\$ 11,369	\$ (9,865)
4.	Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax—planning strategies include the use of reinsurance? Yes _____ No <u>X</u>		

B. The Company has no temporary differences for which deferred tax liabilities are not recognized.

NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1) 06/30/2016	(2) 12/31/2015	(3) (Col 1–2) Change
1. Current Income Tax			
(a) Federal	\$ 142,905	\$ 283,947	\$ (141,042)
(b) Foreign	\$ —	\$ —	\$ —
(c) Subtotal	<u>\$ 142,905</u>	<u>\$ 283,947</u>	<u>\$ (141,042)</u>
(d) Federal income tax on net capital gains	\$ 16,684	\$ 11,407	\$ 5,277
(e) Utilization of operating loss carry—forwards	\$ —	\$ —	\$ —
(f) Other (incl. prior year over/under accrual)	\$ —	\$ —	\$ —
(g) Federal and foreign income taxes incurred	<u>\$ 159,589</u>	<u>\$ 295,354</u>	<u>\$ (135,765)</u>
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 46,955	\$ 46,955	\$ —
(2) Unearned premium reserve	\$ 323,982	\$ 313,172	\$ 10,810
(3) Policyholder reserves	\$ —	\$ —	\$ —
(4) Investments	\$ —	\$ —	\$ —
(5) Deferred acquisition costs	\$ —	\$ —	\$ —
(6) Policyholder dividends accrual	\$ —	\$ —	\$ —
(7) Fixed assets and prepaid expense—nonadmitted	\$ 1,515	\$ 3,648	\$ (2,132)
(8) Compensation and benefits accrual	\$ 35,114	\$ 39,644	\$ (4,530)
(9) Pension accrual	\$ 22,300	\$ 24,030	\$ (1,730)
(10) Receivables – nonadmitted	\$ 4,039	\$ 4,039	\$ —
(11) Net operating loss carry—forward	\$ —	\$ —	\$ —
(12) Tax credit carry—forward	\$ —	\$ —	\$ —
(13) Other (including items <5% of total ordinary tax assets):			
(14) Salvage and subrogation anticipated	\$ 99,190	\$ 99,190	\$ —
(15) Software capitalized	\$ 43,829	\$ 38,960	\$ 4,869
(16) Other	\$ 9,639	\$ 5,556	\$ 4,083
(99) Subtotal	<u>\$ 586,562</u>	<u>\$ 575,194</u>	<u>\$ 11,369</u>
(b) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(c) Nonadmitted	\$ —	\$ —	\$ —
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	<u>\$ 586,562</u>	<u>\$ 575,194</u>	<u>\$ 11,369</u>
(e) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Net capital loss carry—forward	\$ —	\$ —	\$ —
(3) Real estate	\$ —	\$ —	\$ —
(4) Other (including items <5% of total capital tax assets):			
(5) Unrealized capital losses for impaired securities	\$ 180,037	\$ 189,903	\$ (9,864)
(6) Other	\$ 850	\$ 850	\$ —
(99) Subtotal	<u>\$ 180,887</u>	<u>\$ 190,753</u>	<u>\$ (9,864)</u>
(f) Statutory valuation allowance adjustment	\$ —	\$ —	\$ —
(g) Nonadmitted	\$ —	\$ —	\$ —
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	<u>\$ 180,887</u>	<u>\$ 190,753</u>	<u>\$ (9,864)</u>
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 767,450</u>	<u>\$ 765,947</u>	<u>\$ 1,503</u>
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ (42,925)	\$ (43,129)	\$ 204
(2) Fixed assets	\$ —	\$ —	\$ —
(3) Deferred and uncollected premium	\$ —	\$ —	\$ —
(4) Policyholder reserves	\$ —	\$ —	\$ —
(5) Other (including items <5% of total ordinary tax liabilities):			
(99) Subtotal	<u>\$ (26,839)</u>	<u>\$ (22,554)</u>	<u>\$ (4,285)</u>
(b) Capital:			
(1) Investments	\$ —	\$ —	\$ —
(2) Real estate	\$ —	\$ —	\$ —
(3) Other (including items <5% of total capital tax liabilities):			
(4) Unrealized capital gains	\$ (847,711)	\$ (768,106)	\$ (79,605)
(99) Subtotal	<u>\$ (847,711)</u>	<u>\$ (768,106)</u>	<u>\$ (79,605)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ (917,475)</u>	<u>\$ (833,789)</u>	<u>\$ (83,686)</u>
4. Net deferred tax assets/liabilities (2i – 3c)	<u>\$ (150,025)</u>	<u>\$ (67,842)</u>	<u>\$ (82,183)</u>

NOTES TO FINANCIAL STATEMENTS

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. Among the more significant book to tax adjustments were the following:

	<u>06/30/2016</u>	<u>Effective Tax Rate</u>
Provision computed at statutory rate	\$ 221,295	34.0%
Tax exempt interest	(29,387)	(4.5%)
Dividends received deduction	(19,535)	(3.0%)
Change in deferred tax on nonadmitted assets	2,132	0.3%
Other	(12,338)	(1.9%)
Total	\$ 162,167	24.9%
 Federal and foreign income taxes incurred	 \$ 142,905	 22.0%
Tax on capital gains (losses)	16,684	2.6%
Change in net deferred income taxes	2,578	0.3%
Total statutory income taxes	\$ 162,167	24.9%

E. Carry—forwards, recoverable taxes, and IRC §6603 deposits:

- (1) As of June 30, 2016, the Company had no net operating loss and net capital loss carry—forwards available for tax purposes.
As of June 30, 2016, the Company had no alternative minimum tax (AMT) credit carry—forwards.
- (2) As of June 30, 2016, the Company had federal income taxes incurred available for recoupment in the event of future net losses in the amount of \$606,401.
- (3) The Company has no deposits reported as admitted assets under IRC §6603 as of June 30, 2016.

F. The Company files an individual federal income tax return.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. At June 30, 2016, there was no intercompany receivable due from and/or due to its Subsidiaries and Affiliates. The intercompany balances due from and/or due to its Subsidiaries and Affiliates are reimbursed quarterly on an as made basis.
- E. Not applicable.
- F. No significant changes.
- G. No significant changes.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. No significant changes.

NOTES TO FINANCIAL STATEMENTS

11. Debt

Not applicable.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company has a non-qualified, unfunded, directors' retirement plan and a retiree healthcare plan. The retiree health care plan was closed to new participants. The directors' retirement plan was terminated July 1, 2015 with payout of vested benefit balances scheduled to occur in July 2016. The related liabilities and expenses are not material to the Company's financial position.

The Company also has a non-qualified voluntary deferred compensation plan for senior executive officers. The plan allows for deferral of payouts from the Annual Cash Bonus Plan and Performance Share Plan for Key Executives. As of June 30, 2016 and December 31, 2015, amounts held for these deferrals were \$0.1 million and \$0.2 million, respectively.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Basis of Rates of Returns on Assets

Not applicable.

E. Defined Contribution Plans

No significant changes.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04—17)

Not applicable.

13. Capital and Surplus, Dividend Restrictions and Quasi—Reorganizations

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) Not applicable.

(8) Not applicable.

(9) Not applicable.

(10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains net of losses before tax is \$2.5 million and \$1.9 million at June 30, 2016 and December 31, 2015, respectively.

(11) Not applicable.

(12) Not applicable.

(13) Not applicable.

NOTES TO FINANCIAL STATEMENTS

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments
Not applicable.
- B. Assessments
No significant changes.
- C. Gain Contingencies
Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
No significant changes.
- E. Product Warranties
Not applicable.
- F. Joint and Several Liabilities
Not applicable.
- G. All Other Contingencies
Not applicable.

15. Leases

No significant changes.

16. Information about Financial Instruments With Off—Balance—Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishment of Liabilities

- A. Transfers of Receivables Reported as Sales
Not applicable.
- B. Transfer and Servicing of Financial Assets
Not applicable.
- C. Wash Sales
Not applicable.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans
Not applicable.
- B. ASC Plans
Not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract
Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820 (SFAS No. 157), *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1:

Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2:

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3:

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(1) Fair Value Measurements at June 30, 2016:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Preferred Stock:				
Industrial and Misc	\$ 4,005	\$ —	\$ —	\$ 4,005
Total Perpetual Preferred Stocks	4,005	—	—	4,005
Common Stock:				
Mutual Funds	3,089,392	—	—	3,089,392
Industrial and Misc	4,488,054	—	86,436	4,574,490
Total Common Stocks	7,577,446	—	86,436	7,663,882
Total assets at fair value	<u>\$ 7,581,451</u>	<u>\$ —</u>	<u>\$ 86,436</u>	<u>\$ 7,667,887</u>
b. Liabilities at fair value:				
Not applicable.				

Fair Value Measurements at December 31, 2015:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value:				
Common Stock:				
Mutual Funds	\$ 1,142,329	\$ —	\$ —	\$ 1,142,329
Industrial and Misc	6,087,602	—	86,436	6,174,038
Total Common Stocks	7,229,931	—	86,436	7,316,367
Total assets at fair value	<u>\$ 7,229,931</u>	<u>\$ —</u>	<u>\$ 86,436</u>	<u>\$ 7,316,367</u>
Liabilities at fair value:				
Not applicable.				

STATEMENT AS OF June 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy:

	Beginning Balance at 01/01/2016	Transfers In/(out) Level 3	Total Gain/(Loss) Included in Net Income	Total Gain/(Loss) Included in Surplus	(Sales)	Ending Balance at 06/30/2016
a. Assets:						
Common Stock: Industrial and Misc	\$ 86,436	\$ —	\$ —	\$ —	\$ —	\$ 86,436
Total Assets	\$ 86,436	\$ —	\$ —	\$ —	\$ —	\$ 86,436

b. Liabilities:

Not applicable.

(3) The Company's policy is to recognize transfers in and out as of the end of the reporting period.

(4) As of June 30, 2016, the reported fair value of the entity's investments categorized within Level 3 of the fair value hierarchy is as follows:

Common Stocks – The Company holds an investment in NAMIC common stock.

Not applicable.

B. Not applicable

C. Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 14,946,901	\$ 14,208,327	\$ 990,835	\$ 13,956,066	\$ —	\$ —
Preferred Stock	4,005	4,005	4,005	—	—	—
Common Stock	7,663,882	7,663,882	7,577,446	—	86,436	—
Short-Term Investments	877,344	877,344	—	877,344	—	—

D. The Company has no assets for which it was not practicable to estimate fair value.

21. Other Items

A. Extraordinary Items

Not applicable.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures and Unusual Items

Not applicable.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non—Transferable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

Not applicable.

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through August 15, 2016 for the statutory statement issued on August 15, 2016 for the quarter ending June 30, 2016. No Type I events were identified that would have a material effect on the financial condition of the Company.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through August 15, 2016 for the statutory statement issued on August 15, 2016 for the quarter ending June 30, 2016. No Type II events were identified that would have a material effect on the financial condition of the Company.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

- A. Unsecured Reinsurance Recoverables
Not applicable.
- B. Reinsurance Recoverable in Dispute
Not applicable.
- C. Reinsurance Assumed and Ceded
No significant changes.
- D. Uncollectible Reinsurance
No significant changes.
- E. Commutation of Ceded Reinsurance
Not applicable.
- F. Retroactive Reinsurance
Not applicable.
- G. Reinsurance Accounted for as a Deposit
Not applicable.
- H. Disclosures for the Transfer of Property and Casualty Run—off Agreements
Not applicable.
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expense

Reserves as of December 31, 2015 were \$3.9 million. During 2016, \$1.1 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$2.5 million as a result of re-estimation of unpaid claims and claim adjusting expenses. Therefore, there has been a \$.2 million favorable prior year development from December 31, 2015 to June 30, 2016. Favorable development in auto physical damage, homeowner, farmowner, other property and other liability lines of insurance were offset, in part, by unfavorable development in commercial auto liability and commercial multi-peril lines of insurance. The re-estimation is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The estimates are not affected by prior year loss development on retrospectively rated policies, as the Company does not write this type of policy.

26. Intercompany Pooling Agreements

No significant changes.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No significant changes.

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant changes.

NOTES TO FINANCIAL STATEMENTS

33. Asbestos/Environmental Reserves

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes () No (x)

B. Not applicable.

C. Not applicable.

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (x) No ()

	2012	2013	2014	2015	2016
(1) Direct –					
a. Beginning reserves:	\$ 1	\$ 4	\$ 8	\$ 4	\$ 4
b. Incurred losses and loss adjustment expense:	4	9	4	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>1</u>	<u>5</u>	<u>7</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u><u>\$ 4</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 4</u></u>
(2) Assumed Reinsurance –					
a. Beginning reserves:	\$ —	\$ —	\$ —	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	—	—	—	—	—
c. Calendar year payments for losses and loss adjustment expenses:	—	—	—	—	—
d. Ending reserves:	<u><u>\$ —</u></u>				
(3) Net of Ceded Reinsurance –					
a. Beginning reserves:	\$ 1	\$ 4	\$ 8	\$ —	\$ —
b. Incurred losses and loss adjustment expense:	4	5	(8)	—	—
c. Calendar year payments for losses and loss adjustment expenses:	<u>1</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
d. Ending reserves:	<u><u>\$ 4</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

The Company's exposure to environmental losses arises from the sale of general liability insurance. The company estimates the full impact of the environmental exposure by establishing full case basis reserves on all known losses and computing incurred but not reported losses based on previous experience. The company's estimate of the environmental related losses for each of the five most recent years after intercompany pooling are displayed above.

E. State the amount of ending reserves for Bulk + IBNR included in D (Loss & LAE):

(1) Direct Basis:	\$ —
(2) Assumed Reinsurance Basis:	\$ —
(3) Net of Ceded Reinsurance Basis:	\$ —

F. State the amount of ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR):

(1) Direct Basis:	\$ —
(2) Assumed Reinsurance Basis:	\$ —
(3) Ceded Reinsurance Basis:	\$ —

34. Subscriber Savings Accounts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES
GENERAL**

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

.....

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/26/2012

6.4 By what department or departments?

Ohio.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information:

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**GENERAL INTERROGATORIES**

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0

13. Amount of real estate and mortgages held in short-term investments: \$0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$3,442	\$3,652
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY**GENERAL INTERROGATORIES**

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
16.3 Total payable for securities lending reported on the liability page \$.....

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Northern Trust.....	Chicago, IL.....

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
154425.....	Harvest Fund Advisors.....	100 W. Lancaster Ave. 2nd Floor Wayne, PA 19087.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

18.2 If no, list exceptions:

.....

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
3.2 If yes, give full and complete information thereto.

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes No [X]

4.2 If yes, complete the following schedule:

5. Operating Percentages:

5.1 A&H loss percent.....	0.0	%
5.2 A&H cost containment percent	0.0	%
5.3 A&H expense percent excluding cost containment expenses.....	0.0	%

6.1 Do you act as a custodian for health savings accounts?..... Yes [] No [X]
6.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$ _____
6.3 Do you act as an administrator for health savings accounts?..... Yes [] No [X]
6.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ _____

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

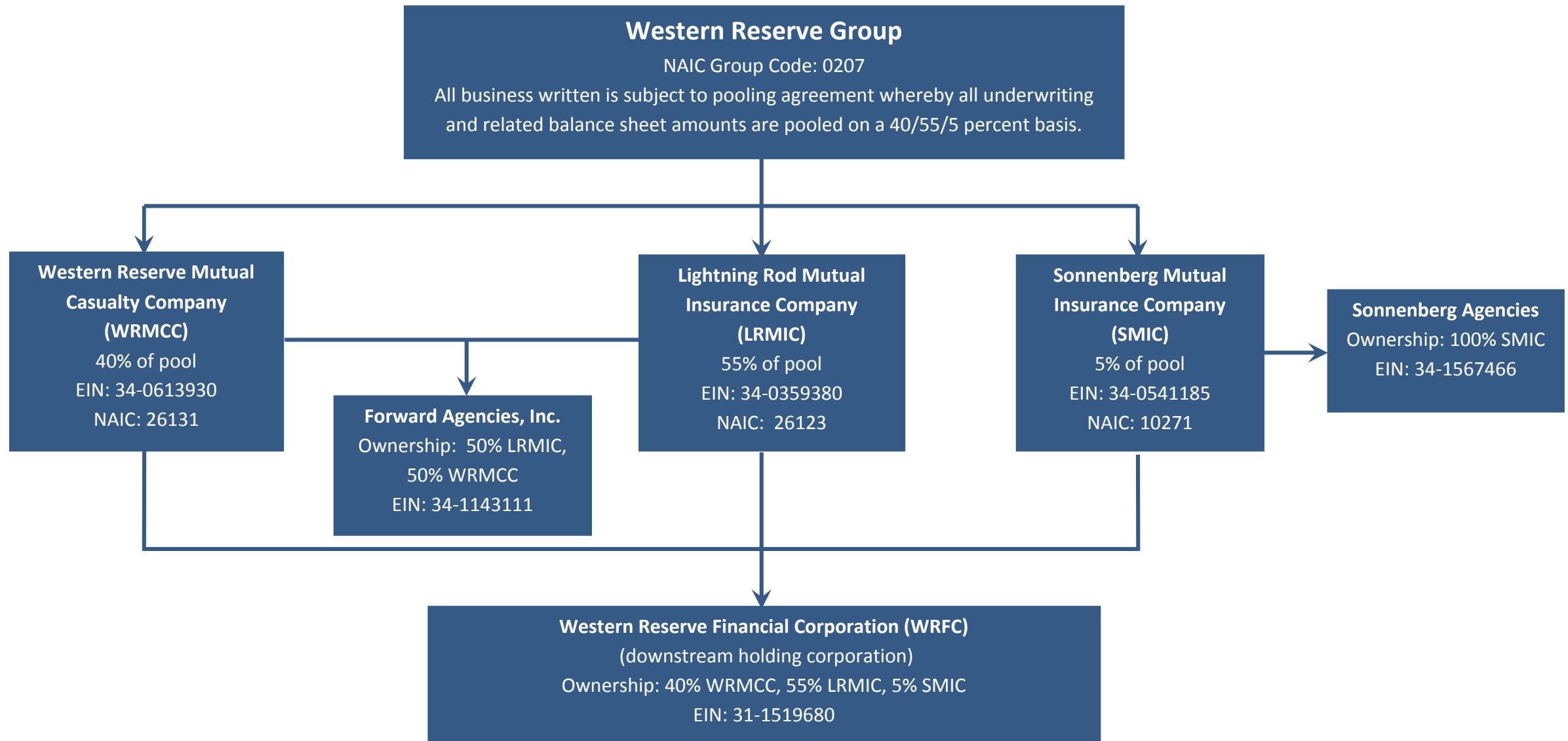
States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL.	N.	0	0	0	0	0
2. Alaska	AK.	N.	0	0	0	0	0
3. Arizona	AZ.	N.	0	0	0	0	0
4. Arkansas	AR.	N.	0	0	0	0	0
5. California	CA.	N.	0	0	0	0	0
6. Colorado	CO.	N.	0	0	0	0	0
7. Connecticut	CT.	N.	0	0	0	0	0
8. Delaware	DE.	N.	0	0	0	0	0
9. Dist. Columbia	DC.	N.	0	0	0	0	0
10. Florida	FL.	N.	0	0	0	0	0
11. Georgia	GA.	N.	0	0	0	0	0
12. Hawaii	HI.	N.	0	0	0	0	0
13. Idaho	ID.	N.	0	0	0	0	0
14. Illinois	IL.	N.	0	0	0	0	0
15. Indiana	IN.	L	3,184,541	1,769,652	1,799,773	775,852	2,196,965
16. Iowa	IA.	N.	0	0	0	0	0
17. Kansas	KS.	N.	0	0	0	0	0
18. Kentucky	KY.	N.	0	0	0	0	0
19. Louisiana	LA.	N.	0	0	0	0	0
20. Maine	ME.	N.	0	0	0	0	0
21. Maryland	MD.	N.	0	0	0	0	0
22. Massachusetts	MA.	N.	0	0	0	0	0
23. Michigan	MI.	N.	0	0	0	0	0
24. Minnesota	MN.	N.	0	0	0	0	0
25. Mississippi	MS.	N.	0	0	0	0	0
26. Missouri	MO.	N.	0	0	0	0	0
27. Montana	MT.	N.	0	0	0	0	0
28. Nebraska	NE.	N.	0	0	0	0	0
29. Nevada	NV.	N.	0	0	0	0	0
30. New Hampshire	NH.	N.	0	0	0	0	0
31. New Jersey	NJ.	N.	0	0	0	0	0
32. New Mexico	NM.	N.	0	0	0	0	0
33. New York	NY.	N.	0	0	0	0	0
34. No. Carolina	NC.	N.	0	0	0	0	0
35. No. Dakota	ND.	N.	0	0	0	0	0
36. Ohio	OH.	L	8,983,438	4,648,524	4,300,916	1,428,404	3,228,351
37. Oklahoma	OK.	N.	0	0	0	0	0
38. Oregon	OR.	N.	0	0	0	0	0
39. Pennsylvania	PA.	N.	0	0	0	0	0
40. Rhode Island	RI.	N.	0	0	0	0	0
41. So. Carolina	SC.	N.	0	0	0	0	0
42. So. Dakota	SD.	N.	0	0	0	0	0
43. Tennessee	TN.	N.	0	0	0	0	0
44. Texas	TX.	N.	0	0	0	0	0
45. Utah	UT.	N.	0	0	0	0	0
46. Vermont	VT.	N.	0	0	0	0	0
47. Virginia	VA.	N.	0	0	0	0	0
48. Washington	WA.	N.	0	0	0	0	0
49. West Virginia	WV.	N.	0	0	0	0	0
50. Wisconsin	WI.	N.	0	0	0	0	0
51. Wyoming	WY.	N.	0	0	0	0	0
52. American Samoa	AS.	N.	0	0	0	0	0
53. Guam	GU.	N.	0	0	0	0	0
54. Puerto Rico	PR.	N.	0	0	0	0	0
55. U.S. Virgin Islands	VI.	N.	0	0	0	0	0
56. Northern Mariana Islands	MP.	N.	0	0	0	0	0
57. Canada	CAN.	N.	0	0	0	0	0
58. Aggregate Other Alien	OT.	XXX	0	0	0	0	0
59. Totals	(a)	2	12,167,979	6,418,176	6,100,689	2,204,256	5,425,316
DETAILS OF WRITE-INS		XXX					
58001.		XXX					
58002.		XXX					
58003.		XXX					
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

2

Asterisk	Explanation

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	14,992	0	0.0	0.7
2. Allied lines	7,003	2,154	30.8	0.0
3. Farmowners multiple peril	157,703	21,865	13.9	0.0
4. Homeowners multiple peril	1,252,861	738,044	58.9	68.4
5. Commercial multiple peril	0	0	0.0	0.0
6. Mortgage guaranty	0	0	0.0	0.0
8. Ocean marine	0	0	0.0	0.0
9. Inland marine	0	0	0.0	0.0
10. Financial guaranty	0	0	0.0	0.0
11.1 Medical professional liability -occurrence	0	0	0.0	0.0
11.2 Medical professional liability -claims made	0	0	0.0	0.0
12. Earthquake	0	0	0.0	0.0
13. Group accident and health	0	0	0.0	0.0
14. Credit accident and health	0	0	0.0	0.0
15. Other accident and health	0	0	0.0	0.0
16. Workers' compensation	0	0	0.0	0.0
17.1 Other liability occurrence	558	0	0.0	0.0
17.2 Other liability-claims made	0	0	0.0	0.0
17.3 Excess Workers' Compensation	0	0	0.0	0.0
18.1 Products liability-occurrence	0	0	0.0	0.0
18.2 Products liability-claims made	0	0	0.0	0.0
19.1,19.2 Private passenger auto liability	4,940,180	4,566,202	92.4	56.5
19.3,19.4 Commercial auto liability	0	0	0.0	0.0
21. Auto physical damage	3,851,046	3,107,498	80.7	80.0
22. Aircraft (all perils)	0	0	0.0	0.0
23. Fidelity	0	0	0.0	0.0
24. Surety	0	0	0.0	0.0
26. Burglary and theft	0	0	0.0	0.0
27. Boiler and machinery	2,721	0	0.0	0.0
28. Credit	0	0	0.0	0.0
29. International	0	0	0.0	0.0
30. Warranty	0	0	0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
TOTALS	10,227,064	8,435,763	82.5	64.3
DETAILS OF WRITE-INS				
3401.	0	0	0.0	0.0
3402.	0	0	0.0	0.0
3403.	0	0	0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date	
1. Fire	6,826	11,101	14,003	
2. Allied lines	3,432	5,543	6,555	
3. Farmowners multiple peril	91,046	159,662	163,056	
4. Homeowners multiple peril	656,301	1,235,021	1,173,443	
5. Commercial multiple peril	0	0	0	
6. Mortgage guaranty	0	0	0	
8. Ocean marine	0	0	0	
9. Inland marine	0	0	0	
10. Financial guaranty	0	0	0	
11.1 Medical professional liability-occurrence	0	0	0	
11.2 Medical professional liability-claims made	0	0	0	
12. Earthquake	0	0	0	
13. Group accident and health	0	0	0	
14. Credit accident and health	0	0	0	
15. Other accident and health	0	0	0	
16. Workers' compensation	0	0	0	
17.1 Other liability occurrence	234	421	512	
17.2 Other liability-claims made	0	0	0	
17.3 Excess Workers' Compensation	0	0	0	
18.1 Products liability-occurrence	0	0	0	
18.2 Products liability-claims made	0	0	0	
19.1,19.2 Private passenger auto liability	3,066,901	6,011,471	2,910,524	
19.3,19.4 Commercial auto liability	0	0	0	
21. Auto physical damage	2,432,614	4,740,945	2,149,045	
22. Aircraft (all perils)	0	0	0	
23. Fidelity	0	0	0	
24. Surety	0	0	0	
26. Burglary and theft	0	0	0	
27. Boiler and machinery	2,322	3,815	1,038	
28. Credit	0	0	0	
29. International	0	0	0	
30. Warranty	0	0	0	
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	
34. Aggregate write-ins for other lines of business	0	0	0	
TOTALS	6,259,676	12,167,979	6,418,176	
DETAILS OF WRITE-INS				
3401.	0	0	0	0
3402.	0	0	0	0
3403.	0	0	0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0	0

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2016 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened and Open as of Prior Year End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2013 + Prior	742	81	823	185	1	186	483	26	.34	543	(74)	(20)	(94)
2. 2014	921	63	984	200	.6	.206	629	.3	.44	676	(92)	(10)	(102)
3. Subtotals 2014 + prior	1,663	.144	1,807	385	.7	.392	1,112	.29	.78	1,219	(166)	(30)	(196)
4. 2015.....	1,608	.455	2,063	.670	.77	.747	1,094	.62	.136	1,292	.156	(180)	(24)
5. Subtotals 2015 + prior	3,271	.599	3,870	1,055	.84	.1,139	2,206	.91	.214	2,511	(10)	(210)	(220)
6. 2016.....	XXX	XXX	XXX	XXX	1,660	.1,660	XXX	1,195	.436	1,631	XXX	XXX	XXX
7. Totals	3,271	599	3,870	1,055	1,744	2,799	2,206	1,286	650	4,142	(10)	(210)	(220)
Prior Year-End 8. Surplus As Regards Policy- holders											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. (0.3)	2. (35.1)	3. (5.7)
												Col. 13, Line 7 Line 8	
													4. (1.6)

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....

Explanation:

- 1.
- 2.
- 3.
- 4.

Bar Code:

1. 
1 0 2 7 1 2 0 1 6 4 9 0 0 0 0 0 2
2. 
1 0 2 7 1 2 0 1 6 4 5 5 0 0 0 0 0 2
3. 
1 0 2 7 1 2 0 1 6 3 6 5 0 0 0 0 0 2
4. 
1 0 2 7 1 2 0 1 6 5 0 5 0 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other-than-temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other-than-temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

NONE

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other-than-temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

NONE

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	21,692,916	21,297,525
2. Cost of bonds and stocks acquired	1,080,632	4,706,035
3. Accrual of discount	2,436	11,300
4. Unrealized valuation increase (decrease)	234,152	(496,938)
5. Total gain (loss) on disposals	49,070	495,067
6. Deduct consideration for bonds and stocks disposed of	1,131,605	3,779,676
7. Deduct amortization of premium	47,735	78,896
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other-than-temporary impairment recognized		461,501
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	21,879,866	21,692,916
11. Deduct total nonadmitted amounts	3,652	3,442
12. Statement value at end of current period (Line 10 minus Line 11)	21,876,214	21,689,474

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	14,246,023	1,355,101	1,307,652	(14,028)	14,246,023	14,279,444	0	14,521,446
2. NAIC 2 (a).....	705,281	101,710		(203,515)	705,281	603,476	0	502,480
3. NAIC 3 (a).....	0			202,751	0	202,751	0	0
4. NAIC 4 (a).....	0				0	0	0	0
5. NAIC 5 (a).....	0				0	0	0	0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds.....	14,951,304	1,456,811	1,307,652	(14,792)	14,951,304	15,085,671	0	15,023,925
PREFERRED STOCK								
8. NAIC 1.....	0	3,744		262	0	4,006	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	3,744	0	262	0	4,006	0	0
15. Total Bonds & Preferred Stock.....	14,951,304	1,460,555	1,307,652	(14,531)	14,951,304	15,089,677	0	15,023,925

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$;

NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	877,344	XXX	877,344	127	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	650,837	989,796
2. Cost of short-term investments acquired	1,487,863	5,031,217
3. Accrual of discount		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	1,261,356	5,370,176
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	877,344	650,837
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	877,344	650,837

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3
NONE

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
245869-JS-2.....	Delaware Cnty OH GO.....		05/05/2016.....	Fifth Third Securities, Inc.....		.148,113	.125,000		.1FE
680616-D7-1.....	Oilentangy Loc Sch Dist OH.....		06/10/2016.....	VENDOR CODE NATI NOT IN TABLE.....		.71,602	.60,000		.1FE
944233-LC-7.....	Wayland MI Union SD GO.....		05/02/2016.....	Fifth Third Securities, Inc.....		.186,629	.150,000		.1FE
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						406,343	335,000	0	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
.487836-BP-2.....	Kellogg Co Fixed Rt Sr Nt.....		05/19/2016.....	First Empire Securities Inc.....		.101,710	.100,000	.695	.2FE
949746-RW-3.....	Wells Fargo & Co.....		04/20/2016.....	D A Davidson & Co.....		.100,000	.100,000	.25	.1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)						201,710	200,000	720	XXX
8399997 - Subtotals - Bonds - Part 3						608,053	535,000	720	XXX
8399999 - Subtotals - Bonds						608,053	535,000	720	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)									
.49456B-20-0.....	Kinder Morgan Inc Depositary Shs.....		06/15/2016.....	Harvest Investment Manager.....	.82,000	.3,744	.50,00		
8499999 - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)						3,744		0	XXX
8999997 - Subtotals - Preferred Stocks - Part 3						3,744	XXX	0	XXX
8999999 - Subtotals - Preferred Stocks						3,744	XXX	0	XXX
Common Stocks - Industrial and Miscellaneous									
030975-10-6.....	Amerigas Partners LP MLP.....		05/12/2016.....	Harvest Investment Manager.....	.68,000	2,899			L
03673L-10-3.....	Antero Midstream Partners LP MLP.....		06/27/2016.....	Harvest Investment Manager.....	.18,000	.464			L
03674X-10-6.....	Antero Res Corp Com.....		06/29/2016.....	Harvest Investment Manager.....	.164,000	.4,635			L
03957W-10-6.....	Archrock Inc.....		06/01/2016.....	Harvest Investment Manager.....	.66,000	.536			L
03957U-10-0.....	Archrock Partners LP.....		05/12/2016.....	Harvest Investment Manager.....	.1,000	.12			L
096627-10-4.....	Boardwalk Pipeline Partners LP.....		06/07/2016.....	Harvest Investment Manager.....	.96,000	.1,626			L
.118230-10-1.....	Buckey Partners LP MLP.....		06/08/2016.....	Harvest Investment Manager.....	.19,000	.1,393			L
16411R-20-8.....	Cheniere Energy Inc Com.....		06/27/2016.....	Harvest Investment Manager.....	.36,000	.1,245			L
16411W-10-8.....	Cheniere Energy Partners Higs LLC.....		06/03/2016.....	Harvest Investment Manager.....	.1,000	.20			L
16411O-10-1.....	Cheniere Energy Partners LP.....		06/01/2016.....	Harvest Investment Manager.....	.8,000	.234			L
198281-10-7.....	Columbia Pipeline Partners MLP LP.....		06/03/2016.....	Harvest Investment Manager.....	.6,000	.89			L
22758A-10-5.....	CrossAmerica Partners LP Unit Ltd.....		06/01/2016.....	Harvest Investment Manager.....	.6,000	.140			L
23311P-10-0.....	DCP Midstream Partners LP.....		04/20/2016.....	Harvest Investment Manager.....	.16,000	.504			L
25746U-10-9.....	Dominion Res Inc VA New Com.....		06/01/2016.....	Harvest Investment Manager.....	.1,000	.72			L
292480-10-0.....	Enable Midstream Partners LP MLP.....		05/11/2016.....	Harvest Investment Manager.....	.77,000	.930			L
29250R-10-6.....	Enbridge Energy Partners LP MLP.....		06/27/2016.....	Harvest Investment Manager.....	.136,000	.2,971			L
29273V-10-0.....	Energy Transfer Equity LP MLP.....		06/27/2016.....	Harvest Investment Manager.....	.271,000	.3,675			L
29273R-10-9.....	Energy Transfer Partners LP MLP.....		06/28/2016.....	Harvest Investment Manager.....	.196,000	.7,634			L
29336U-10-7.....	Enlink Midstream Partners LP MLP.....		06/27/2016.....	Harvest Investment Manager.....	.35,000	.570			L
293792-10-7.....	Enterprise Prods Partners LP MLP.....		05/25/2016.....	Harvest Investment Manager.....	.7,000	.194			L
268885B-10-0.....	EOT Midstream Partners LP.....		06/01/2016.....	Harvest Investment Manager.....	.2,000	.152			L
371927-10-4.....	Genesis Energy LP MLP.....		06/03/2016.....	Harvest Investment Manager.....	.126,000	.4,326			L
49456B-10-1.....	Kinder Morgan Inc Del Comm.....		06/27/2016.....	Harvest Investment Manager.....	.171,000	.3,163			L
501797-10-4.....	L BRANDS NC COM.....		04/25/2016.....	Northern Trust.....	.192,000	.15,000			L
559080-10-6.....	Magellan Midstream Partners LP MLP.....		05/25/2016.....	Harvest Investment Manager.....	.1,000	.71			L
55336V-10-0.....	MLPX LP Com MLP.....		05/25/2016.....	Harvest Investment Manager.....	.2,000	.67			L
62913M-10-7.....	NGL Energy Partners LP.....		06/28/2016.....	Harvest Investment Manager.....	.76,000	.1,118			L
67058H-10-2.....	Nustar Energy LP MLP.....		06/06/2016.....	Harvest Investment Manager.....	.48,000	.2,366			L
68268N-10-3.....	Oneok Partners LP MLP.....		06/27/2016.....	Harvest Investment Manager.....	.17,000	.666			L
709311-10-4.....	PennTex Midstream Partners MLP.....		05/12/2016.....	Harvest Investment Manager.....	.32,000	.384			L
726503-10-5.....	Plains All American Pipeline LP.....		06/01/2016.....	Harvest Investment Manager.....	.4,000	.94			L
72651A-10-8.....	Plains GP Hldgs LP CL A MLP.....		06/28/2016.....	Harvest Investment Manager.....	.196,000	.1,940			L
762760-10-6.....	Rice Energy Inc.....		06/27/2016.....	Harvest Investment Manager.....	.318,000	.5,634			L
762819-10-0.....	Rice Midstream Partners LP MLP.....		06/27/2016.....	Harvest Investment Manager.....	.52,000	.958			L
81663A-10-5.....	Semgroup Corp CL A.....		06/15/2016.....	Harvest Investment Manager.....	.9,000	.279			L
822634-10-1.....	Shell Midstream PA MLP.....		05/25/2016.....	Harvest Investment Manager.....	.1,000	.33			L
82481R-10-6.....	Shire plc.....		06/03/2016.....	Stock Merger.....	.155,610	.6,935			L
847560-10-9.....	Spectra Energy Corp.....		06/01/2016.....	Harvest Investment Manager.....	.2,000	.64			L
849343-10-8.....	Sprague Resources LP MLP.....		06/14/2016.....	Harvest Investment Manager.....	.26,000	.612			L
866142-10-2.....	Summit Midstream Partners LP.....		06/14/2016.....	Harvest Investment Manager.....	.5,000	.107			L
86764L-10-8.....	Sunoco Logistics Partners LP MLP.....		06/29/2016.....	Harvest Investment Manager.....	.64,000	.1,780			L
89353D-10-7.....	Transcanada Corp.....	L	06/27/2016.....	Harvest Investment Manager.....	.80,000	.3,318			L

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator ^(a)
91914J-10-2	Valero Energy Partners LP MLP		06/27/2016	Harvest Investment Manager	1.000	.44			
254687-10-6	Walt Disney Co.		06/15/2016	Northern Trust	152.000	15,021			U
949746-10-1	Wells Fargo & Company		05/18/2016	Northern Trust	310.000	14,964			U
960417-10-3	Westlake Chemical Partners LP MLP		06/01/2016	Harvest Investment Manager	34.000	.743			U
969457-10-0	Williams Co Inc		05/26/2016	Harvest Investment Manager	331.000	.6,953			U
96949L-10-5	Williams Partners LP MLP NEW		06/29/2016	Harvest Investment Manager	158.000	4,638			U
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)						121,272	XXX	0	XXX
Common Stocks - Mutual Funds									
256206-10-3	Dodge & Cox Intl Stk FD	R	04/28/2016	Northern Trust	1,365.000	.50,000			U
9299999 - Common Stocks - Mutual Funds						50,000	XXX	0	XXX
9799997 - Subtotals - Common Stocks - Part 3						171,272	XXX	0	XXX
9799999 - Subtotals - Common Stocks						171,272	XXX	0	XXX
9899999 - Subtotals- Preferred and Common Stocks						175,016	XXX	0	XXX
9999999 Totals						783,069	XXX	720	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues1

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 For- eign Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
Bonds - U.S. Governments																						
912828-KZ-2..	U.S Treasury Note	06/30/2016	MATURITY		100,000	100,000	104,987	100,501		(501)			(501)		100,000		0	0	1,625	06/30/2016	1..	
0599999 - Bonds - U.S. Governments					100,000	100,000	104,987	100,501	0	(501)	0	(501)	0	100,000	0	0	0	0	1,625	XXX	XXX	
Bonds - U.S. States, Territories and Possessions																						
56052A-SE-7..	Maine St FSA	06/15/2016	MATURITY		200,000	200,000	203,422	200,192		(192)			(192)		200,000		0	0	4,250	06/19/2016	1FE..	
1799999 - Bonds - U.S. States, Territories and Possessions					200,000	200,000	203,422	200,192	0	(192)	0	(192)	0	200,000	0	0	0	0	4,250	XXX	XXX	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																						
930353-EZ-6..	Wadsworth OH CSO	06/01/2016	CALLED @ 100.00000000		125,000	125,000	124,893	124,989	5	5	5	5	124,994		6	6	2,500	12/01/2016	1FE..			
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					125,000	125,000	124,893	124,989	0	5	0	5	0	124,994	0	6	6	2,500	XXX	XXX		
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
921813-AA-9..	Vanderbilt University	04/29/2016	CALLED @ 110.86600000		110,866	100,000	100,700	100,266		(25)			(25)		100,241		10,625	10,625	3,033	04/01/2019	1FE..	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)					110,866	100,000	100,700	100,266	0	(25)	0	(25)	0	100,241	0	10,625	10,625	3,033	XXX	XXX		
8399997 - Subtotals - Bonds - Part 4					535,866	525,000	534,002	525,947	0	(712)	0	(712)	0	525,235	0	10,631	10,631	11,408	XXX	XXX		
8399999 - Subtotals - Bonds					535,866	525,000	534,002	525,947	0	(712)	0	(712)	0	525,235	0	10,631	10,631	11,408	XXX	XXX		
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																						
Y8565J-10-1..	Teekay Offshore Partners LP	04/18/2016	Harvest Investment Manager	133,000	.832	XXX	.839	.862	(23)			(23)		.839		.7	.7	15	XXX	1..		
030975-10-6..	Americas Partners LP MLP	05/12/2016	Harvest Investment Manager	159,000	.6,755	XXX	6,257	1,816	(14)			(4)		6,257		499	499	499	499	499	XXX	XXX
03673L-10-3..	Antero Midstream Partners LP	05/12/2016	Harvest Investment Manager	1,000	.24	XXX	.23	.23			0			.23		1	1	1	1	1	XXX	XXX
03957U-10-0..	Archrock Partners LP	06/01/2016	Harvest Investment Manager	.39,000	.512	XXX	.480	.480			0			.480		.32	.32	.32	.32	.32	XXX	XXX
07177M-10-3..	Baxalta Inc	06/03/2016	VARIOUS	1,050,000	25,835	XXX	11,294	40,982	(29,687)		(29,687)			11,294		14,540	14,540	14,540	14,540	14,540	XXX	XXX
118230-10-1..	Buckey Partners LP MLP	06/01/2016	Harvest Investment Manager	.8,000	.562	XXX	.549				0			.549		.14	.14	.14	.14	.14	XXX	XXX
16411R-20-8..	Cheniere Energy Inc Com	06/01/2016	Harvest Investment Manager	2,000	.65	XXX	.74				0			.74		(9)	(9)	(9)	(9)	(9)	XXX	XXX
16411W-10-8..	Cheniere Energy Partners LP MLP	06/01/2016	Harvest Investment Manager	.3,000	.60	XXX	.53				0			.53		.7	.7	.7	.7	.7	XXX	XXX
198280-10-9..	Columbia Pipeline Group Inc	04/25/2016	Harvest Investment Manager	.24,000	.613	XXX	.422				0			.422		.191	.191	.191	.191	.191	XXX	XXX
198281-10-7..	Columbia Pipeline Partners MLP	06/01/2016	Harvest Investment Manager	.5,000	.74	XXX	.87	.87			0			.87		(14)	(14)	(14)	(14)	(14)	2..	XXX
22758A-10-5..	CrossAmerica Partners LP Unit Ltd	05/11/2016	Harvest Investment Manager	11,000	.256	XXX	.285	.285			0			.285		(29)	(29)	(29)	(29)	(29)	7..	XXX
23311P-10-0..	DCP Midstream Partners LP	06/29/2016	Harvest Investment Manager	.17,000	.602	XXX	.532				0			.532		.71	.71	.71	.71	.71	13..	XXX
257454-10-8..	Dominion MLP	06/15/2016	Harvest Investment Manager	.5,000	.138	XXX	.153	.153			0			.153		(16)	(16)	(16)	(16)	(16)	3..	XXX
25746U-10-9..	Dominion Res Inc VA New Com	06/02/2016	Harvest Investment Manager	.1,000	.71	XXX	.72				0			.72		.0	.0	.0	.0	.0	1..	XXX
292480-10-0..	Enable Midstream Partners LP MLP	06/30/2016	Harvest Investment Manager	.28,000	.400	XXX	.348				0			.348		.52	.52	.52	.52	.52	XXX	XXX
29250R-10-6..	Enbridge Energy Partners LP MLP	06/01/2016	Harvest Investment Manager	.6,000	.132	XXX	.138	.138			0			.138		(7)	(7)	(7)	(7)	(7)	XXX	XXX
29273V-10-0..	Energy Transfer Equity LP MLP	05/12/2016	Harvest Investment Manager	.41,000	.479	XXX	.563	.563			0			.563		(84)	(84)	(84)	(84)	(84)	15..	XXX
29273R-10-9..	Energy Transfer Partners LP MLP	04/25/2016	Harvest Investment Manager	.19,000	.677	XXX	.641	.641			0			.641		.36	.36	.36	.36	.36	20..	XXX
29336U-10-7..	EnLink Midstream Partners LP MLP	06/01/2016	Harvest Investment Manager	.18,000	.281	XXX	.298	.298			0			.298		(17)	(17)	(17)	(17)	(17)	12..	XXX
293792-10-7..	Enterprise Prods Partners LP MLP	06/01/2016	Harvest Investment Manager	.201,000	.5,514	XXX	.5,157	.4,963			0			.5,157		.357	.357	.357	.357	.357	152..	XXX
371927-10-4..	Genesis Energy LP MLP	06/01/2016	Harvest Investment Manager	.193,000	.5,721	XXX	.5,258				0			.5,258		.464	.464	.464	.464	.464	XXX	XXX
435763-10-7..	Holly Energy Partners LP	06/01/2016	Harvest Investment Manager	.16,000	.532	XXX	.498	.498			0			.498		.34	.34	.34	.34	.34	18..	XXX
49456B-10-1..	Kinder Morgan Inc Del Com	04/20/2016	Harvest Investment Manager	.56,000	.1,062	XXX	.864	.448			0			.864		.199	.199	.199	.199	.199	6..	XXX
55608B-10-5..	Macquarie Infrastructure Co LLC	06/01/2016	Harvest Investment Manager	.4,000	.287	XXX	.290	.290			0			.290		(3)	(3)	(3)	(3)	(3)	9..	XXX
559080-10-6..	Mageilian Midstream Partners LP MLP	06/30/2016	Harvest Investment Manager	.99,000	.7,021	XXX	.6,727	.6,656			0			.6,727		.295	.295	.295	.295	.295	150..	XXX
55336V-10-0..	MLPX LP Com MLP	06/01/2016	Harvest Investment Manager	.13,000	.416	XXX	.511	.511			0			.511		(95)	(95)	(95)	(95)	(95)	13..	XXX
62913M-10-7..	NGL Energy Partners LP	06/01/2016	Harvest Investment Manager	.21,000	.317	XXX	.300				0			.300		.17	.17	.17	.17	.17	5..	XXX
665826-10-3..	Northern Tier Energy LP MLP	04/18/2016	Harvest Investment Manager	.49,000	.1,122	XXX	.1,172	.1,267	(95)		(95)			.1,172		(50)	(50)	(50)	(50)	(50)	19..	XXX
682680-10-3..	Oneok Inc Com Stk	04/18/2016	Harvest Investment Manager	.25,000	.793	XXX	.547				0			.547		.246	.246	.246	.246	.246	2..	XXX
68268N-10-3..	Oneok Partners LP MLP	06/30/2016	Harvest Investment Manager	.7,000	.275	XXX	.259	.60			0			.259		.16	.16	.16	.16	.16	6..	XXX
69318Q-10-4..	PBF Logistics LP MLP	06/01/2016	Harvest Investment Manager	.10,000	.218	XXX	.214	.214			0			.214		.5	.5	.5	.5	.5	6..	XXX

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
709311-10-4..	PennTex Midstream Partners MLP.....		05/19/2016..	Harvest Investment Manager.....	32,000	.458	XXX.....	.384					0		.384		.74		.74			XXX.....	L.....
718546-10-4..	Phillips 66 Com Stk, Plains All American		06/01/2016..	Harvest Investment Manager.....	4,000	.320	XXX.....	.343					0		.343		(22)		(22)			XXX.....	L.....
726503-10-5..	Pipeline LP.....		05/12/2016..	Harvest Investment Manager.....	8,000	.189	XXX.....	.185	.185				0		.185		.4		.4			XXX.....	L.....
72651A-10-8..	Plains GP Holdings LP CL A MLP.....		05/04/2016..	Harvest Investment Manager.....	14,000	.123	XXX.....	.132	.132				0		.132		(9)		(9)			XXX.....	L.....
762760-10-6..	Rice Energy Inc.....		06/29/2016..	Harvest Investment Manager.....	30,000	.684	XXX.....	.604					0		.604		.80		.80			XXX.....	L.....
762819-10-0..	Rice Midstream Partners LP MLP.....		06/01/2016..	Harvest Investment Manager.....	27,000	.489	XXX.....	.369	.243				0		.369		.120		.120			XXX.....	L.....
81663A-10-5..	Semgroup Corp CL A.....		06/01/2016..	Harvest Investment Manager.....	9,000	.289	XXX.....	.173					0		.173		.116		.116			XXX.....	L.....
822634-10-1..	Shell Midstream PA MLP.....		06/01/2016..	Harvest Investment Manager.....	23,000	.785	XXX.....	.830	.955				(125)		.830		(45)		(45)			XXX.....	L.....
82481R-10-9..	Shire plc.....		06/15/2016..	Northern Trust.....	155,000	.26,548	XXX.....	6,908					0		6,908		19,640		19,640			XXX.....	L.....
847560-10-9..	Spectra Energy Corp.....		06/02/2016..	Harvest Investment Manager.....	2,000	.64	XXX.....	.64					0		.64		0		0			XXX.....	L.....
849343-10-8..	Sprague Resources LP MLP.....		06/01/2016..	Harvest Investment Manager.....	35,000	.724	XXX.....	.716	.645				0		.716		.8		.8			XXX.....	L.....
864482-10-4..	Suburban Propane Partners LP.....		04/20/2016..	Harvest Investment Manager.....	27,000	.828	XXX.....	.716					0		.716		.111		.111			XXX.....	L.....
866142-10-2..	Summit Midstream Partners LP.....		06/01/2016..	Harvest Investment Manager.....	17,000	.354	XXX.....	.327	.262				0		.327		.26		.26			XXX.....	L.....
86764L-10-8..	Sunoco Logistics Partners LP MLP.....		05/12/2016..	Harvest Investment Manager.....	1,000	.28	XXX.....	.26	.26				0		.26		.2		.2			XXX.....	L.....
874697-10-5..	Tallgrass Energy Partners LP MLP.....		06/01/2016..	Harvest Investment Manager.....	7,000	.316	XXX.....	.288	.288				0		.288		.28		.28			XXX.....	L.....
87612G-10-1..	Targa Resources Corp.....		06/01/2016..	Harvest Investment Manager.....	13,000	.570	XXX.....	.347					0		.347		.223		.223			XXX.....	L.....
Y8564M-10-5..	Teekay Long Partners LP MLP.....		04/18/2016..	Harvest Investment Manager.....	167,000	.2,190	XXX.....	.2,191	.2,196				(5)		.2,191		(1)		(1)			XXX.....	L.....
88160T-10-7..	Tesoro Logistics LP MLP.....		06/01/2016..	Harvest Investment Manager.....	11,000	.545	XXX.....	.554	.554				0		.554		(9)		(9)			XXX.....	L.....
90290N-10-9..	USA Compression Partners LP.....		06/01/2016..	Harvest Investment Manager.....	16,000	.239	XXX.....	.184	.184				0		.184		.55		.55			XXX.....	L.....
91914J-10-2..	Valero Energy Partners LP MLP.....		06/16/2016..	Harvest Investment Manager.....	5,000	.219	XXX.....	.251	.258				(7)		.251		(32)		(32)			XXX.....	L.....
Y9384M-10-1..	VTI Energy Partners LP MLP.....		06/01/2016..	Harvest Investment Manager.....	2,000	.40	XXX.....	.41	.41				0		.41		(1)		(1)			XXX.....	L.....
959310-20-5..	Western Refining Logistics LP.....		06/01/2016..	Harvest Investment Manager.....	43,000	.1,015	XXX.....	1,055	.1,055				0		1,055		(40)		(40)			XXX.....	L.....
96945T-10-0..	Williams Co Inc.....		06/30/2016..	Harvest Investment Manager.....	532,000	.11,159	XXX.....	.12,048	.5,114				(98)		.12,048		(889)		(889)			XXX.....	L.....
96949L-10-5..	Williams Partners LP MLP NEW.....		06/21/2016..	Harvest Investment Manager.....	98,000	.3,263	XXX.....	2,895					0		2,895		.368		.368			XXX.....	L.....
9099999 - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					113,085	XXX.....	76,536	73,375	(30,045)		0	0	(30,045)	0	76,536	0	36,549	36,549	1,421	XXX.....	XXX.....		
9799997 - Subtotals - Common Stocks - Part 4					113,085	XXX.....	76,536	73,375	(30,045)		0	0	(30,045)	0	76,536	0	36,549	36,549	1,421	XXX.....	XXX.....		
9799999 - Subtotals - Common Stocks					113,085	XXX.....	76,536	73,375	(30,045)		0	0	(30,045)	0	76,536	0	36,549	36,549	1,421	XXX.....	XXX.....		
9899999 - Subtotals - Preferred and Common Stocks					113,085	XXX.....	76,536	73,375	(30,045)		0	0	(30,045)	0	76,536	0	36,549	36,549	1,421	XXX.....	XXX.....		
9999999 Totals					648,951	XXX.....	610,537	599,322	(30,045)		(712)	0	(30,757)	0	601,771	0	47,181	47,181	12,829	XXX.....	XXX.....		

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
J P Morgan Chase.....New York, NY.....					1,164,343	1,164,343	1,254,635	XXX
Northern Trust.....Chicago, IL.....					(6,873)	2,459	2,884	XXX
019998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
019999 Total Open Depositories	XXX	XXX	0	0	1,157,470	1,166,802	1,257,519	XXX
039999 Total Cash on Deposit	XXX	XXX	0	0	1,157,470	1,166,802	1,257,519	XXX
049999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
059999 Total	XXX	XXX	0	0	1,157,470	1,166,802	1,257,519	XXX

STATEMENT AS OF JUNE 30, 2016 OF THE SONNENBERG MUTUAL INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE

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